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# World Production and Trade

United States  
Department of  
Agriculture

Foreign  
Agricultural  
Service

Washington, D.C. 20250

Weekly  
Roundup

WR 14-85

April 3, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## OILSEEDS AND PRODUCTS

FRANCE has approved construction of a sunflowerseed crushing plant that would increase domestic oilseed crush capacity by more than 10 percent. (The 1984/85 crush is estimated at 1.7 million tons). U.S. soybean exports to France could be replaced by domestically produced and crushed sunflowerseeds and products. The new plant is to be built by 1987 in west/central France and will have an annual crushing capacity of 180,000 tons along with complete meal and oil processing facilities.

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The FISHMEAL EXPORTERS ORGANIZATION (FEO) has reported that January's production and exports of fishmeal were considerably larger than year-earlier levels. Fishmeal output is exceeding exports as indicated by large end-of-January stocks, double the amount of January 1984. This buildup in stocks has depressed prices. In January 1985, total fishmeal production, exports and stocks were up 240, 93 and 100 percent, respectively, from January 1984.

Fishmeal production, exports and stocks are as follows in 1,000 tons:

Country	-----January 1984-----			-----January 1985-----		
	Production	Exports	Ending Stocks	Production	Exports	Ending Stocks
Chile	14	19	112	87	47	334
Iceland	2	10	10	18	21	21
Norway	12	8	60	8	17	36
Peru	24	21	57	64	27	88
Total	52	58	239	177	112	479

Mid-March European fishmeal prices dropped to \$271 per ton, or 37 percent below a year ago. The fishmeal/soybean meal price ratio at 1.64 in mid-March was 8 percent below the previous month and also 8 percent below the 1983/84 average.

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Fishmeal stocks now equal 18 weeks of exports at the calendar 1984 average weekly rate of 26,100 tons per week compared to only 9 weeks of exports at the same date a year earlier.

#### DAIRY, LIVESTOCK AND POULTRY

In BELGIUM, three more outbreaks of African Swine Fever (ASF) in hog feedlots have been recorded since the weekend of March 16. These feedlots, which have a total hog population of 5,300, were already considered suspect farms since the source of their pigs was the farm with the first outbreak. A total of nine sites have been diagnosed since the beginning of the epidemic.

The Belgian Ministry of Agriculture decided to contain any further outbreaks in suspected farms by ordering immediate slaughter of all hogs on farms where contact with infected hogs is suspected. This involved slaughter of another 10,000 hogs on 18 farms.

On March 28, the European Community (EC) lifted trade restrictions on Belgian hogs and pork except in the infected area following no new reported cases of ASF. The Dutch and French have gone along with these measures and other member states are expected to follow suit. Most member states had instituted severe restrictions to avoid possible introduction of ASF. There will be no direct impact on U.S. trade due to these outbreaks.

\*\*\*\*\*

EGYPT and NEW ZEALAND signed a memorandum of understanding March 18 concluding sales by New Zealand of 42,500 tons of bone-in lamb and 2,000 of canned whole milk powder to Egypt. All of the whole milk powder and 12,500 tons of the lamb are for 1985 import. Half of the remaining 30,000 tons of lamb will be imported in 1986 and the balance in 1987. This sale follows one by New Zealand of 3,150 tons of lamb to Egypt in 1984.

The memorandum also provides for hygiene, inspection procedures, technical training, marketing training and services to aid meat and dairy market development in Egypt.

\*\*\*\*\*

The U.S. Department of Commerce on March 27 announced in its preliminary determination that exports of live swine and fresh, chilled and frozen pork products from CANADA to the United States are being subsidized. The Department said the net subsidy has been determined preliminarily to be Can\$0.053 (US\$0.039) per pound. The U.S. Customs Service was to begin applying a bonding/deposit rate at this amount on all Canadian exports of live swine and fresh pork this week.

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The Commerce Department investigation began Nov. 2, 1984, following a petition filed by the National Pork Producers Council. In its preliminary investigation, the Commerce Department found that a number of provincial and federal programs, principally price support programs, provide subsidies to exports of live swine and fresh, chilled and frozen pork products. Commerce investigators will soon go to Canada to verify the accuracy of all data so far presented and gather additional information. A final determination by the Department of Commerce is scheduled for June 10.

\*\*\*\*\*

Milk production in TUNISIA totaled 290,000 tons in 1984, an increase of 5 percent from the 1983 level, according to the U.S. agricultural trade officer in Tunis. Milk production is expected to expand about 8 percent in 1985. The increased availability of European dairy cattle due to the EC quota system has given Tunisian producers an additional opportunity to expand their herds.

#### COTTON AND FIBERS

NIGERIA's 1984/85 cotton crop is estimated at 83,000 bales, 30 percent above the drought-reduced 1983/84 crop of 64,000 bales, according to the U.S. agricultural attache in Lagos. Expanded plantings, favorable weather during the growing and harvesting seasons and increased availability of labor resulted in increased output. Cotton production has been declining since the 1978 season due to a shortage of labor and competition from food crops, especially corn.

In 1979, a cotton rehabilitation committee was inaugurated under the auspices of the Federal Department of Agriculture with the intention of curtailing the continuous decline in cotton production. Since the implementation of the rehabilitation program, more emphasis has been placed on an adequate supply of seed for planting, extension services and remunerative producer prices.

\*\*\*\*\*

One of TAIWAN's largest textile firms and the NICARAGUAN Cotton Board have signed a barter agreement under which the Taiwan textile firm will import raw cotton from Nicaragua and supply Nicaragua with yarn, cloth and other textiles. The reported value of the cotton is about \$4 million. The barter agreement is the first in Taiwan involving a private company.

\*\*\*\*\*

INDIA has abolished the export tax on raw cotton and cotton waste, effective March 15, 1985. Indian cotton production for 1984/85 is estimated at a record 6.5 million bales. The tax elimination was part of budget proposals for export promotion. Indian cotton exports are controlled by export quotas. India has announced export quotas totaling 34,000 tons (156,162 bales) of long and extra-long staple cotton for the 1984/85 season. Exports of short- and medium-staple varieties have not been permitted for several years. The export tax was only significant on these varieties and cotton waste.

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## FRUITS

In WEST GERMANY, ITALY and FRANCE, extremely cold winter temperatures may have caused some damage to wine grape vineyards, according to the U.S. agricultural counselors in Bonn, Rome and Paris. In West Germany, damage is reported in most wine grape growing areas with bud damage most severe in low-lying areas. In Italy, grower representatives report damage in Reggio Emilia Province, a major Lambrusco wine region. In France, bud damage is reported in most major grape growing areas. Despite these preliminary reports, it is still too early to judge the extent of damage to vineyards. More detailed assessments of the freeze damage will be released as the growing season progresses.

## WOOD AND WOOD PRODUCTS

NEW ZEALAND's wood production remains at a reduced level because of a shortage of mature softwood timber. However, production is expected to increase in the late 1980s, when the extensive radiata pine plantings of the 1960s and 1970s begin to mature.

The possibilities of further penetration into the U.S. wood chip and softwood log markets, particularly in the Pacific Rim area, will increase as the country's wood production expands. New Zealand is one of the major competitors of the United States in wood chip, softwood log and softwood lumber exports to that region.

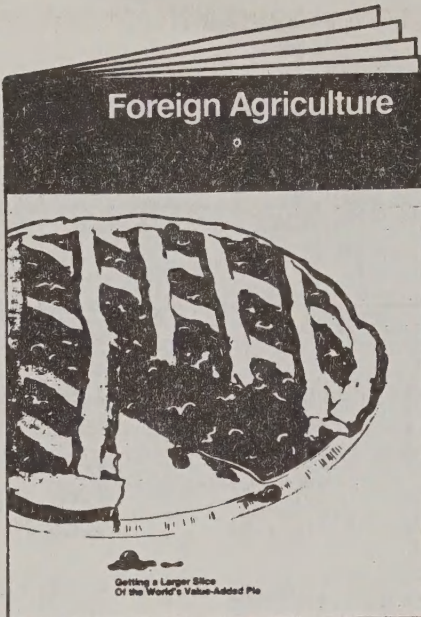
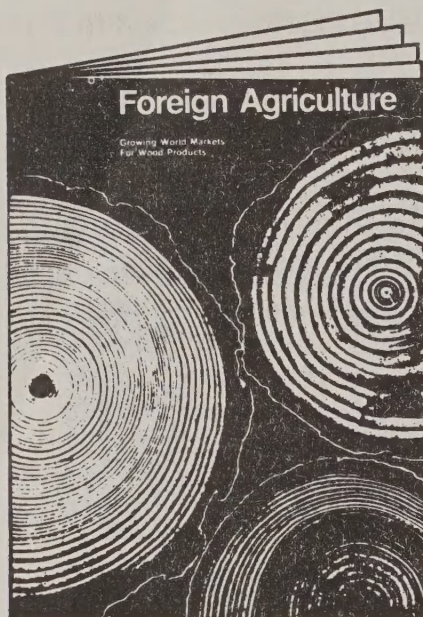
New Zealand's level of forest product exports remains relatively unchanged, while the country's depressed housing sector has led to reduced domestic consumption. Exports of rough or roughly squared wood, primarily to Japan and Korea, totaled US\$19.1 million in 1984. Principal wood product exports were wood chips, softwood logs and softwood lumber, which accounted for an estimated 40, 33 and 26 percent, respectively, of the total.

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Selected International Prices

Item	: April 2, 1985	: Change from	: A year	
	:	: previous week	: ago	
<hr/>				
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	183.00	4.98	+3.00	199.00
U.S. No. 2 DNS/NS: 14%....	167.50	4.56	+2.50	185.00
U.S. No. 2 S.R.W. ....9/	168.00	4.57	-2.00	172.00
U.S. No. 3 H.A.D.....	179.00	4.87	+2.00	193.00
Canadian No. 1 A: Durum...	187.00	5.09	+2.50	207.00
Feed grains:				
U.S. No. 3 Yellow Corn....	136.00	3.45	+1.50	166.00
Soybeans and meal:				
U.S. No. 2 Yellow.....	245.00	6.67	-2.25	318.50
Brazil 47/48% SoyaPellets 4/	160.00	--	+5.00	233.50
U.S. 44% Soybean Meal....	155.00	--	+1.00	228.00
U.S. FARM PRICES 3/				
Wheat.....	125.65	3.42	+.37	131.53
Barley.....	85.43	1.86	+4.59	99.21
Corn.....	104.72	2.66	-1.57	131.50
Sorghum.....	96.12	4.36 2/	-.44	110.45
Broilers 4/.....	1015.66	--	-20.72	1293.66
EC IMPORT LEVIES				
Wheat 5/.....	64.40	1.75	+11.95	75.40
Barley.....	61.35	1.34	+7.05	74.75
Corn.....	56.90	1.45	+8.80	53.45
Sorghum.....	73.30	1.86	+10.70	79.10
Broilers 4/ 6/ 8/.....	158.00	--	+6.00	175.00
EC INTERVENTION PRICES 7/				
Common wheat(feed quality)	146.10	3.98	+5.80	185.70
Bread wheat (min. quality)7/	155.30	4.23	+6.15	202.20
Barley and all				
other feed grains.....	146.10	--	+5.80	185.70
Broilers 4/ 6/.....	975.00	--	0	1295.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat .....	23.30	.63	+3.85	36.25
Barley.....	37.30	.81	+5.90	38.00
Broilers 4/ 6/ 8/.....	93.00	--	+5.00	137.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ May shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis April delivery.





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